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NAVY FOR LCDR TODD NETHERCOTT
DEPARTMENT FOR KEVIN OPSTRUP AND ELAINE SAMSON, EUR/WE
OSD FOR CDR TODD SQUIRE

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TAGS: PREL MARR SP
SUBJECT: SPAIN: SCENESETTER FOR VISIT OF SECRETARY WINTER,
MARCH 30 - APRIL 1

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Classified By: Ambassador Eduardo Aguirre for reasons 1.4(b) and (d).

11. (C) SUMMARY: I warmly welcome your visit to Madrid, and I look forward to traveling with you to visit Spain's largest shipbuilder, Navantia, in the Galician town of El Ferrol. When you arrive, Spain will be emerging from Easter holidays and the aftermath of the March 9 general election, and all focus will be on the formation of a new government. Although the media here prefers to focus on differences in the U.S.-Spain relationship resulting from Spain's 2004 withdrawal from Iraq, military-to-military cooperation is excellent, as is cooperation in areas of common interest such as fighting terrorism and organized crime and promoting the spread of democracy in many areas of the world. We think of Spain as a trusted (if some would say under-performing) ally and a solid NATO partner, committed to strengthening the Transatlantic security relationship. We know Spain could do more in Afghanistan and elsewhere, and with fewer national caveats. We wish they would consider doing less to help the likes of Venezuela. Your visit will be a welcome boost to the already pro-U.S. Spanish Navy, and a good starting point for continued and constructive cooperation. End summary.

NOTIONAL SCHEDULE

12. (C) When you arrive on Sunday evening, I look forward to having dinner with you at my Residence. On Monday morning, March 31, before you meet with Spanish officials, we propose that you take time to sit down, perhaps over breakfast, with me and members of the Mission's Country Team and Pol-Mil working group. We would like to prevail upon you to preside over an awards ceremony here at the Embassy to honor six of our Spanish naval colleagues as well as the U.S. Defense and Naval Attaché, who is retiring from this post as a Captain. In addition, it would be great if we could do a photo opportunity for you with our stellar Marine Security Guard detachment (six and one) before leaving the Embassy. Outside the U.S. Mission, you will see Spanish Chief of Defense (CHOD) GEN Felix Sanz Roldan. We hope to secure appointments with Minister of Defense Jose Antonio Alonso and other key interlocutors. If time permits, I recommend you visit the Spanish Naval Museum. Finally, GEN Sanz and I will accompany

you to your evening audience with King Juan Carlos I. I would be privileged to host a larger dinner in your honor thereafter to give you a chance to interact less formally with the President of Spanish shipbuilder Navantia, Secretary General for Defense Policy Luis Cuesta, the CHOD, the Director General of Armament and Materiel who is also Spain's National Armaments Director, and a host of Spanish Navy flag officers. Spanish Chief of Naval Operations Admiral Zaragoza has designated his deputy, ADM Beltran Bengoechea, to represent him as Zaragoza will be out of the country during your visit. On April 1, you will travel to Navantia's shipyard in El Ferrol, in northwestern Galicia, for a full schedule of briefings and a tour of the facility where the Spanish Navy's F-100 class and Norwegian Navy's F-310 class frigates are built. Our Spanish contacts are graciously hosting this portion of your visit and will pull out all the stops.

SECURITY AND DIPLOMATIC COOPERATION

¶3. (SBU) Spanish military cooperation matters. The bases of Rota and Moron are strategic hubs, midway between the U.S. and Afghanistan and Iraq. U.S. planes and ships account for around 5,000 flights and 250 port calls a year in Spain. The Spanish military is pro-U.S. and pro-NATO. The navy employs the AEGIS system in its frigates and has been working for five years to acquire the Tomahawk missile system. To date, the Tomahawk sale has not been notified to Congress. Spain is also interested in the Joint Strike Fighter. The GOS has requested the LAIRCM aircraft protection suite, asking that we treat their inquiry with the utmost sensitivity, and await a response from the U.S. Air Force. We need to keep this

military-to-military relationship strong.

¶4. (C) Spain has nearly 800 troops supporting ISAF in the Afghanistan theater of operations, to include a provincial reconstruction team in Badghis province. They have contributed some 150 million Euros in Afghan reconstruction funds. Negotiations are underway to allow the Spanish to train and equip an additional Afghan National Army company, which we hope will be a prelude to the training and equipping of a full battalion. Looking ahead to the NATO Summit that begins in Bucharest just a day after your visit ends, Spanish President Zapatero has said he looks forward to discussing issues of "shared interest" with President Bush. The United States and the Allies are looking to Spain and other ISAF-contributing countries to step up and do even more, by providing Guardia Civil personnel, maneuver forces, and police and other trainers to Afghanistan. On Iraq, Spain has contributed \$22 million to the Basrah Children's Hospital and a further \$28 million in development funding for Iraq. Spain has nearly 1,100 troops with UNIFIL in Lebanon, over 500 in Kosovo, and 260 in Bosnia. As of December 2007, a Spanish general commands Operation Althea or EUFOR, the EU Mission in Bosnia. Spain has also offered two transport aircraft and logistics support personnel to the EU Mission to Chad.

¶5. (SBU) On the diplomatic front, Spain in recent years has more often been a follower than a leader, looking to stay within EU consensus on issues such as Iran and missile defense. Spain has yet to recognize Kosovo, having resisted doing so prior to Spain's March 9 elections. It is concerned about what it calls the "legality" of the unilateral declaration of independence and the potential example to Basque and Catalan nationalists in Spain. Nonetheless, its commitment to KFOR and the EU mission to Kosovo remains firm.

Spain is more forward-leaning on the Middle East peace process, undoubtedly driven by FM Moratinos' long personal involvement in the issue. Moratinos was an eager participant in the Annapolis Conference and helped ensure Spain made a robust pledge of support for the Palestinian Authority during the recent Paris donors' conference. Driven by the twin threats of terrorism and illegal immigration, Spain is also increasing its engagement with the countries of North and Western Africa.

SPANISH MILITARY SALES TO VENEZUELA

¶6. (S/NF) You will recall that in November 2005, Venezuela signed a USD \$1.5 billion deal with Navantia, formerly Izar, for the purchase of four ocean-going patrol ships and four Coast Guard-type high seas patrol ships. The missions of these ships will reportedly be vigilance and protection of the fishing zones, drug enforcement, anti-smuggling operations, and protection of maritime traffic. The first two boats are under construction at San Fernando, in the Bay of Cadiz, in southern Spain. All eight vessels are on track, with the first scheduled for delivery in September 2008. Navantia plans to deliver the remaining BVL Coastal Patrol Boats as follows: one in January 2009, one in July 2009, and one in January 2010. The POVZEE Ocean Patrol vessel will be delivered as follows: one in December 2009, one in June 2010, one in December 2010, and one in June 2011. Despite the fact the first keel has been laid, we are on the lookout for any indications of diminished Spanish political will to go through with these sales, and any hint that Venezuela might yet back out. Our contacts in Spain's Ministry of Foreign Affairs share our concerns about the increasingly confrontational and undemocratic behavior of Venezuelan President Hugo Chavez. Chavez's rudeness toward the Spanish delegation at an Ibero-American Summit in Chile in November 2007 forced the Spanish King to ask him to "shut up." Venezuela's alleged involvement in supporting the FARC and Chavez's interference in the early March escalation of tensions between Colombia and Ecuador have also received negative coverage here.

¶7. (S/NF) Latin American press reporting from as early as May 2006 references Venezuelan interest in Spanish submarines. We now have reason to believe Venezuela is talking to Navantia about a possible submarine sale (ref B). At the

quarterly Management Group Meeting (MGM) for the F-100 program hosted by Navantia from February 12-14 in San Fernando, Spain, a senior-level Navantia employee indicated Navantia was working with Venezuela on different projects and that Venezuela was interested in the Spanish- and French-built Scorpene. Without initiating discussion of this potential Venezuelan project, I would nonetheless like to seize any opportunity that may present itself during your visit to El Ferrol and your discussions with Navantia to question Spain's continued defense sales to such an unreliable and erratic partner.

POLITICAL OUTLOOK POST-SPANISH ELECTIONS

¶8. (C) The Spanish Socialist Workers' Party (PSOE) was the victor in the March 9 general election (ref A), winning 43.64 percent of the vote. The electoral campaign was closely fought, despite a relatively strong economy, a budget surplus, and a variety of social spending initiatives. Though foreign affairs is not a key issue for most voters, the PSOE reminded Spanish voters it got Spain out of Iraq. Voting was without incident, although on March 7 a former PSOE city councilman, Isaias Carrasco, was shot dead in the Basque Country town of Mondragon. Although there has been no claim of responsibility, everyone assumes ETA was responsible. The murder led to widespread calls for voters to turn out in force as a way of protesting the murder and may have slightly pushed up voter participation, which was more than 75 percent. President Jose Luis Rodriguez Zapatero, in power since 2004, must now form alliances to reach the absolute majority required to govern. The PSOE's votes translated into 169 congressional seats out of a total of 350. Congress is set to convene April 1, during your visit, and the King will almost certainly ask Zapatero to form a government. Since he is seven seats short of an absolute majority, Zapatero will have to negotiate a pact with one or more of the smaller parties. He is likely to

form a pact with the Basque Nationalist Party (PNV), which has six seats. It is possible he will also pact with the Galician Nationalist Bloc (BNG), but the BNG only has two seats out of 350. In any case, we expect Zapatero will again be sworn in as President of Government around April 9. In the week following the election, he received a congratulatory letter and phone call from President Bush, which he was quick to publicize.

CONCLUSION

¶9. (C) Again, I am looking forward to your visit. It will be the first and highest-level of several distinguished U.S. military visits during the first week in April, and as such it presents an opportunity to set the tone for cooperating with the second Zapatero government from its earliest days. It will also help us set the bar high for Spain going into the NATO Summit in Bucharest. We need to remind Spain that our naval cooperation reinforces a bilateral relationship that is founded on strong mutual interests such as counter-terrorism and law enforcement. Terrorists, drug traffickers, and alien smugglers will continue to see both our countries as targets, the people of Afghanistan will continue to need our help, and undemocratic leaders like Hugo Chavez are unlikely to be good stewards of our collective military resources. We have much work to do together.

AGUIRRE